

## **FISCAL NOTE**

**SB 1721 - HB 1417**

March 28, 2003

**SUMMARY OF BILL:** Makes various changes to the law relative to the operation of vacation lodging services and removes the regulation of such from the jurisdiction of the Tennessee Real Estate Commission and places it with the Division of Consumer Affairs. A violation of the provisions of this bill is punishable through civil penalties as provided under the *Tennessee Consumer Protection Act of 1977*.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Revenues - Net Impact - \$15,640**

**Increase State Expenditures - Net Impact - \$34,000 Recurring  
\$15,000 One-Time**

Estimate assumes:

- there are approximately 194 businesses offering vacation lodging services in the State of Tennessee. Of that number, 94 pay a vacation lodging services fee to the Real Estate Commission and approximately 100 offer the services through their real estate license. Businesses that currently pay a vacation lodging services fee to the Real Estate Commission will no longer pay such a fee and instead every business offering vacation lodging services will have to pay a fee and register with the Division of Consumer Affairs.
- the Real Estate Commission currently collects \$7,520 biennially in fees. It is estimated that the Division of Consumer Affairs will collect an annual fee of \$100 from approximately 194 businesses offering vacation lodging services. As a result there is estimated to be an average annual net increase in state revenues of \$15,640. Any increase in state revenues from the collection of civil penalties is estimated to be not significant.
- an increase in state expenditures for 1 position and related expenses within the Division of Consumer Affairs to implement and monitor the provisions of this bill. This position will be responsible for implementing and maintaining the registration and renewal system as well as examining the books, accounts, documents and records of licensees. Any decrease in state expenditures to the Real Estate Commission is estimated to be not significant. Further, any increase in state expenditures to the Division of Consumer Affairs to investigate complaints is estimated to be not significant.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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